

ORIGINAL ARTICLES

Scientific and General

SICKNESS INSURANCE*

IN RELATION TO CALIFORNIA MEDICAL ASSOCIATION

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San Francisco

SINCE he first appeared on the earth, man has engaged in a relentless effort to improve his lot. As his condition has improved, he has striven more and more to attain perfection. This restless quest for something he can never fully achieve is, I believe, one of the main driving forces of civilization. The voluntary effort of the individual man, alone or in concert with others, has been productive of most of the progress of the world. This applies with equal force in the fields of Science, Technology, Industry, Agriculture, the Professions and Politics. In the political field, it was the desire for freedom and the respect for individual rights of the common man which created democracy and which have preserved it in a number of the countries of the world.

Had we been born secure in health, in income, in freedom from want and worry, most of us would have been deprived of the great motivating influence which made it possible for free industry and free labor to have met the tremendous production demands of the war just recently ended.

If the day ever arrives when mankind achieves complete security, human progress will slow down or stop from that day forward. We shall cease to be a virile, progressive people and will probably degenerate because of the very fact of assured soft living.

You may consider this a strange beginning for a talk to a social security conference, but it is my opinion that the most dangerous delusion of our time is the widespread conviction that we can achieve social security by enacting legislation and turning the problem over to Government. You and I desire security, but we desire the security which we ourselves have had a part in creating. We do not wish Government to replace our initiative, desires and ambitions with a gratuity of limited perspective, such as the so-called social planners would thrust upon us. Like most of you, I wish to continue chasing the pot of gold at the end of the rainbow, and I do not expect Government to find it for me.

Now I am ready to discuss Health Insurance.

"HEALTH INSURANCE"—SICKNESS INSURANCE

At the outset, let me make several facts perfectly clear. In actuality, the term "Health Insurance" is a misnomer. It should more properly be called "sickness insurance." Its principal value lies in the application of the insurance principle to prevent the economic ravages of serious illness. It does not possess the golden attributes which the advocates of compulsory Health Insurance would have you believe.

Health Insurance has been painted in glowing terms as a means by which the incidence of disease could be greatly reduced. The preventive medicine feature has been repeatedly stressed. This is purely a manifestation of ignorance of the problem involved, which is common experience, when well meaning, but misguided persons, enter a field with which they are not familiar. The facts clearly refute any such contention.

Preventive medicine falls largely in the sphere of Public Health. Viewing the problem as a whole, comparatively little preventive medicine is, or can be, practiced by the individual physician. The primary bases for good health are good heredity, proper and adequate food and shelter, good habits and education. The draft statistics adequately demonstrate this to be the case.

Health Insurance is not a cure-all. It is merely a sound way of protecting your family's financial resources from being drained away in unpredictable periods of illness. It is a form of insurance against economic catastrophe. It will not prevent the development of a serious disease or the necessity for an operation, but it will permit you to undertake this treatment or that operation without making destructive demands upon your savings or assets.

"HEALTH INSURANCE" AND THE GOVERNMENT

Let me make one additional fundamental observation. There is nothing that Government can do for you in the field of Health Insurance which you cannot do for yourselves and do better and at less cost. This statement does not apply only to those assembled here today. It is equally true of all the people in California, except indigents, and all the people in the United States with the same exception. The fullest advantages of Health Insurance cannot be attained by just compelling people to pay into a fund. If compulsion were to be employed, it would also be necessary to compel people to go to a doctor and then unqualifiedly follow his advice. Certainly this variety of compulsion would be repulsive even to the ardent advocates of compulsory health insurance.

Now let us talk about the practicalities of the California situation. In the last legislature, a number of proposals for compulsory Health Insurance were introduced. The motives behind the introduction of the various bills may have differed, but all had the objective of solving a problem which we recognize to exist. That problem is the wide distribution of the costs of medical care through application of the insurance principle. The defects of the efforts at solution of this problem were apparent to all of you.

DEVELOPMENT OF INSURANCE PRINCIPLE

Not long ago, one of my friends in the life insurance business, told me that it took a hundred years to bring life insurance to its present stature. Now a majority of our people provides protection for its families against the tragic consequences of death. Today, every provident man carries life insurance for his family, and I believe this to be one of the finest social advances in the history of our country. This has been brought about, not as a result of governmental compulsion, but rather through the medium of education and private enterprise.

Private enterprise and the voluntary system have already accomplished the insurance of medical costs for a large segment of the population of California. The figures compiled by your own organization, earlier this year, estimated that some variety of coverage for hospital, medical care, or both, had been provided to about one million five hundred thousand people.

PRESENT PLANS OF CALIFORNIA MEDICAL ASSOCIATION

The California Medical Association is about to embark upon an intensive effort to accomplish in the next two years what has been achieved in the field of life insurance during its period of existence. The medical profession realizes that it cannot do the job alone. If we are to succeed, we need the help and active coöperation of business and civic organizations, of the press, of leaders in every walk of life. We need a coöordinated campaign by every insurance company in the business—with the private insurance carriers, the Blue Cross Organizations, California Physicians' Service and all other health insur-

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ance and service systems working together to sell the principle of voluntary health insurance to the people of California and then sell them coverage.

Health Insurance in one form or another is coming in California and throughout the United States. It is coming in a matter of a very few years. That is my considered opinion, and I believe that it reflects the consensus of opinion among those who have studied this problem. The recent interest of the Federal Administration in Health Insurance will unquestionably give impetus to its development.

VOLUNTARY SICKNESS INSURANCE—GOVERNMENTAL COMPULSORY INSURANCE

The only question, and this is a vital question, is whether it is coming on a voluntary basis as a new strong unit of our private enterprise system or whether it is coming on a compulsory basis with Government at the controls.

I believe you will agree that we already have too many Government controls, far too many. We all recognize, I am sure, the urgent need of getting rid of war time controls, rather than adding to them. I can assure you that the doctors of California will fight to the last ditch against bureaucratic political control of their profession, not just because they want to remain in the private practice of Medicine, but because the quality of medical care deteriorates when State Medicine comes in. However one may dress it or refurbish it, compulsory health insurance in any one of its proposed forms is State controlled State Medicine. The effort of the politicians to avoid the term "Socialization of Medicine," when that is exactly what they are trying to accomplish, is purely political window dressing.

The members of the California Medical Association are fully conscious of their responsibility and they intend to give heavily, both of their funds and their time and energy to develop voluntary health insurance coverage for the people of California.

COÖPERATION IS NEEDED

As I said earlier, we will be unable to accomplish this alone. We need your help. At this point, I wish to make grateful acknowledgment of the splendid help which the State Chamber of Commerce and other business and civic groups gave us during the fight against compulsory health insurance in the recent Legislature. We could not have won that fight without your help, and we are deeply appreciative. We realize, and I am certain you realize, that if Medicine should be socialized, it is but one step in the general development of socialization of all varieties of endeavor. There is now a greater appreciation on the part of the medical profession of your problems, as there is on the part of business of our problems. You will find the medical profession quick to respond when any other branch of our private enterprise system comes under attack.

CALIFORNIA PHYSICIANS' SERVICE

Next year the California Medical Association is planning to launch a vigorous advertising and sales campaign to develop California Physicians' Service. The object is to enroll tens of thousands of new members in this health insurance plan. As desirous as we are of furthering California Physicians' Service, we certainly do not wish all the business.

We hope that every private insurance carrier in the health insurance field will double its advertising and sales budget next year and will write more policies in one year than it has written in the past ten years.

We hope that the Blue Cross Plans and every other

sound hospital or medical system will get into the campaign to make California health insurance conscious, and we hope that their memberships will grow enormously.

CAMPAIGN FOR VOLUNTARY SICKNESS INSURANCE

A large portion of the money which the California Medical Association has allocated for next year's campaign will be spent in an effort to sell voluntary health insurance in principle, rather than merely to build our own California Physicians' Service.

We intend to conduct an intensive newspaper and magazine advertising campaign to build up not only California Physicians' Service but all voluntary health systems. We will have radio advertising keyed to the same purpose. We will have an aggressive publicity campaign in the newspapers, magazines and trade publications, all designed to make California health insurance conscious and to open the doors for salesmen selling such coverage.

We intend to organize a public speaking campaign to cover civic groups, service clubs, women's organizations, farm and veterans groups, and every speaker will be trying to convert people to providing for the cost of illness on a regular budget basis during periods of good health and stable earning power.

We will have contact men in the field calling on the heads of major businesses and industries, labor unions and other employee groups to educate both management and workers to the need for prepaid medical care.

We intend to take leadership in setting up an overall organization, probably to be known as the California Coordinating Committee for Voluntary Health Insurance and representing more than one hundred State organizations, which are already on record against compulsory health insurance and which should be tied into a joint campaign for voluntary coverage.

In addition to civic organizations, all private insurance companies which handle health insurance, as well as all service plans, will be asked to participate in this organization.

The purpose of this coördinating committee will not be to sell any specific health insurance plan, but it will issue literature with data on all sound service and insurance plans with the object of selling the voluntary principle.

In short, the California Medical Association intends to furnish the money and the motive power for a whirlwind campaign to insure the budgets of Californians against the ravages of illness and accident. We feel it is imperative that a majority of our citizens be covered by one of the voluntary plans, and if at the end of 1946, the private insurance carriers have the bulk of the business, we shall be entirely satisfied.

MEDICAL PROFESSION'S OBJECTIVES

We desire primarily to make medical care available to as many of our people as possible on a basis they can afford and to assure them when they are ill, they can still call their own doctor and expect to receive from him the same kind of personal attention he has previously provided for them.

We don't want them to be in the position of having to clear with some bureau in Sacramento or Washington before being told how they can obtain care for a sick child or a dangerously ill mother. We want the physician of his choice to be free and unhampered in his care of the injured or ill person. We know that State medicine is bad medicine, and we want no part of it in California.

LIMITATIONS OF GOVERNMENT AID

Let me revert briefly to my original premise, the dangerous delusion that Government in some mysterious way can give us a blanket guarantee of security against old

age, unemployment and all the other problems that mankind is called upon to confront.

When Government seeks to guarantee security, it does so at the price of liberty. Let us not be deceived about that.

In his brilliant book, "The Road to Serfdom" Frederick Hayek makes an excellent summary of the sequence of events when he says:

"The slave state always starts out as a 'welfare state.' It promises freedom from want, worry—as many freedoms as you wish, except freedom from the State itself!"

For many years past, we have observed a continuous growth in Government, both in scope and in the numbers of people involved. Instead of increasing the number of bureaus and employees of Government, we should reduce them. The addition of a large bureau to carry out a compulsory health insurance plan would add greatly to the operating expense of the Government. Such a system would have to be supported by taxes. There is no way of calculating its cost. The ironic aspect of this would be that in return for a tremendously increased burden of taxation, the people would be provided with medical care of a distinctly inferior quality. They would be buying a third rate product at a premium price in dollars and at the sacrifice of another segment of freedom.

The physicians of California wish to serve the people of this State without the interference of onerous rules and regulations and control by bureaucrats and medically uneducated petty clerks.

That, simply stated, is the story. Thank you for the opportunity of speaking to you this morning, and let me earnestly ask you to get behind our campaign for voluntary health insurance.

490 Post Street.

THE ARMY DOCTOR*

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MEDICAL CORPS, ARMY OF THE UNITED STATES

Palo Alto

ANY proper appraisal of the rôle of the Army doctor entails an appraisal of the Medical Department of the Army in which the individual doctor was merely one unit in 50,000. A proper appraisal of the accomplishments of the Medical Department in this war demands some consideration of the effort in other Wars and in other armies. In all candor, it must be said that until World War I, in spite of numerous individual examples of devotion to duty, heroism, and brilliant medical accomplishments, the work of the Army Medical Department was something less than distinguished. Distinguished individuals there were indeed. One need mention only such names as Letterman; who devised and put into operation ambulance evacuation; Hammond, the brilliant surgeon-general of the Civil War; Sternberg, who was really the father of bacteriology in this country; Reed and Lazear, who so heroically demonstrated the mosquito borne character of yellow fever; Gorgas, whose application of proper sanitary measures made possible the construction of the Panama Canal, to prove that the Army doctor in the past has attained a high place in medical circles. That this was done in spite of congressional apathy, opposition from the line, and a general inadequacy of

equipment and funds, is all the more commendable. For it is a fact that until World War I, the Medical Department never had proper support or importance.

SET-UP OF MEDICAL CORPS IN FORMER WARS

In the Revolution, regimental surgeons were supplied by the colony that raised the levy, and they held first loyalty to the colony. There was a sharp distribution and bitter rivalry between so-called troop surgeons and hospital surgeons, and nothing like an over all medical organization. Nor did the war of 1812 add anything to the development of a real service.

The medical experiences of the Mexican War were dreadful. The supply of surgeons authorized was inadequate, there were no enlisted personnel attached to the Medical Department. Dependence was had on the band, on the cooks, and on the hostlers, for the care of the wounded. True, little was known about sanitation and hygiene but even the empirical knowledge which did exist was not applied. As a result of these deficiencies, plus a campaign in an unhealthy tropical climate, General Scott actually lost one-third of his troops from disease. The recommendation of the Medical Department that the port of Veracruz be avoided as a bivouac area was disregarded. As a result, yellow fever losses were heavy and the disease was introduced into several port areas in the United States. Neither this experience, nor the lessons of the Crimean War, in which military medicine made some notable advances, had any influence here and the Civil War found us little better off for a Medical Department.

However, during the course of the Civil War, Letterman, only 38 years old, developed the system of ambulance evacuation of wounded, set up something like adequate field hospitals, and with the support of his superior, General Hammond, made some progress in getting medical personnel assigned. However, the army reverted to a small force widely scattered among Indian fighting posts, and the progress made was largely lost.

In the 33 year interval between the Civil and Spanish War, the Army Medical School proposed in 1862 by Surgeon General Hammond, was established in 1893. But when the Spanish War began we had about 190 doctors, a total of a 100 hospital stewards authorized, no medical supply system, no medical reserve corps, no mechanism for securing physicians, no real table of organization for a medical establishment of any level. The unfortunate medical experiences of the Army in that war are within the memories of some of you. The killed and wounded were only few, the deaths from disease were appalling. The Dodge Commission appointed by President McKinley to investigate the situation made a number of recommendations which the very capable Surgeon General O'Reilly put into effect, together with a number of good ideas of his own. Congress in 1908 passed a law which set up allowances for medical personnel and more important for the future provided for the establishment of the Medical Reserve Corps. Enlistments in the regular establishment were hard to get but, led by some of the most distinguished medical men in the country, the Medical Reserve Corps was built up sufficiently to absorb the first shock of demands for doctors for World War I. We had the years from 1914-1916 to get ready, and much was done. The volunteer committee in medical preparedness offered to make a study and classify available doctors and this was excepted. Dr. Fredrick Martin was appointed to the council on National Defense and he formed a strong group including the Surgeon Generals of the Army and the Navy and leading civilian physicians as well.

The type and the adequacy of medical care rendered in World War I was infinitely better than the Army had ever seen before. The only serious disease situation was occasioned by the world wide pandemic of influenza, for

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From the Preventive Medicine Branch, Office of the Air Surgeon.